

SERFF Tracking Number: ARKS-125838174 State: Arkansas
Filing Company: 00006 - INSURANCE SERVICES OFFICE, INC. State Tracking Number: #105056 \$50
Company Tracking Number: CF-2008-RTERU
TOI: 01.0 Property Sub-TOI: 01.0001 Commercial Property (Fire and Allied Lines)
Product Name: n/a
Project Name/Number: /

Filing at a Glance

Company: 00006 - INSURANCE SERVICES OFFICE, INC.

Product Name: n/a	SERFF Tr Num: ARKS-125838174	State: Arkansas
TOI: 01.0 Property	SERFF Status: Closed	State Tr Num: #105056 \$50
Sub-TOI: 01.0001 Commercial Property (Fire and Allied Lines)	Co Tr Num: CF-2008-RTERU	State Status: Fees verified and received
Filing Type: Rule	Co Status:	Reviewer(s): Betty Montesi, Llyweyia Rawlins
	Author:	Disposition Date: 10/01/2008
	Date Submitted: 09/30/2008	Disposition Status: Filed
Effective Date Requested (New): 11/01/2008		Effective Date (New): 11/01/2008
Effective Date Requested (Renewal): 11/01/2008		Effective Date (Renewal): 11/01/2008

State Filing Description:

General Information

Project Name:	Status of Filing in Domicile:
Project Number:	Domicile Status Comments:
Reference Organization:	Reference Number:
Reference Title:	Advisory Org. Circular:
Filing Status Changed: 10/01/2008	
State Status Changed: 10/01/2008	Deemer Date:
Corresponding Filing Tracking Number:	
Filing Description:	

Company and Contact

Filing Contact Information

NA NA, NA@NA.com

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Product Name: n/a
Project Name/Number: /

NA (123) 555-4567 [Phone]

NA, AR 00000

Filing Company Information

00006 - INSURANCE SERVICES OFFICE, CoCode: 6 State of Domicile: Arkansas
INC.
No Address Group Code: Company Type:
City, AR 99999 Group Name: State ID Number:
(999) 999-9999 ext. [Phone] FEIN Number: 99-9999999

<i>SERFF Tracking Number:</i>	<i>ARKS-125838174</i>	<i>State:</i>	<i>Arkansas</i>
<i>Filing Company:</i>	<i>00006 - INSURANCE SERVICES OFFICE, INC.</i>	<i>State Tracking Number:</i>	<i>#105056 \$50</i>
<i>Company Tracking Number:</i>	<i>CF-2008-RTERU</i>		
<i>TOI:</i>	<i>01.0 Property</i>	<i>Sub-TOI:</i>	<i>01.0001 Commercial Property (Fire and Allied Lines)</i>
<i>Product Name:</i>	<i>n/a</i>		
<i>Project Name/Number:</i>	<i>/</i>		

Filing Fees

Fee Required?	No
Retaliatory?	No
Fee Explanation:	
Per Company:	No

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Correspondence Summary

Dispositions

Status	Created By	Created On	Date Submitted
Filed	Llyweyia Rawlins	10/01/2008	10/01/2008

SERFF Tracking Number: *ARKS-125838174* *State:* *Arkansas*
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Product Name: *n/a*
Project Name/Number: */*

Disposition

Disposition Date: 10/01/2008
Effective Date (New): 11/01/2008
Effective Date (Renewal): 11/01/2008
Status: Filed
Comment:

Rate data does NOT apply to filing.

SERFF Tracking Number: ARKS-125838174 State: Arkansas
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Item Type	Item Name	Item Status	Public Access
Supporting Document	ARKS-125838174		Yes

<i>SERFF Tracking Number:</i>	<i>ARKS-125838174</i>	<i>State:</i>	<i>Arkansas</i>
<i>Filing Company:</i>	<i>00006 - INSURANCE SERVICES OFFICE, INC.</i>	<i>State Tracking Number:</i>	<i>#105056 \$50</i>
<i>Company Tracking Number:</i>	<i>CF-2008-RTERU</i>		
<i>TOI:</i>	<i>01.0 Property</i>	<i>Sub-TOI:</i>	<i>01.0001 Commercial Property (Fire and Allied Lines)</i>
<i>Product Name:</i>	<i>n/a</i>		
<i>Project Name/Number:</i>	<i>/</i>		

Rate Information

Rate data does NOT apply to filing.

SERFF Tracking Number: *ARKS-125838174* *State:* *Arkansas*
Filing Company: *00006 - INSURANCE SERVICES OFFICE, INC. State Tracking Number:* *#105056 \$50*
Company Tracking Number: *CF-2008-RTERU*
TOI: *01.0 Property* *Sub-TOI:* *01.0001 Commercial Property (Fire and Allied Lines)*

Product Name: *n/a*
Project Name/Number: */*

Supporting Document Schedules

Satisfied -Name: ARKS-125838174 **Review Status:** 10/01/2008
Comments:
Attachment:
ARKS-125838174.pdf

ARKS-125838174

LR



2828 E. TRINITY MILLS ROAD SUITE 150 CARROLLTON, TX 75006
TEL: (214) 390-1825 FAX: (214) 390-1975

105056
50.00

September 25, 2008

Honorable Julie Benafield Bowman
Commissioner of Insurance
Arkansas Insurance Department
1200 West Third Street
Little Rock, Arkansas 72201-1904

Attention: William R. Lacy, Director
Property and Casualty Division

RE: Insurance Services Office, Inc.
CF 2008-RTERU
Commercial Fire and Allied Lines
Division Five Terrorism Supplement Rating Rule Revised to
Recognize Removal of Domestic Terrorism Loading
REFERENCE FILING
State of Arkansas

Dear Mr. Lacy:

We hereby file the enclosed advisory reference document.

ISO does not establish an effective date for Commercial Property rules revisions in Arkansas. Each insurer that elects to utilize this revision is responsible for determining its own effective date and complying with any applicable regulatory requirements. We will distribute this material to our participating insurers and update our electronic deliveries under cover of a Notice bearing a date of November 2008, or the earliest possible subsequent date following your acknowledgement.

Companion loss costs filing CF 2008-RLA1 is also submitted today under separate cover.

Please return an acknowledged copy of this cover letter for our records. An addressed, stamped envelope is enclosed for your convenience. We have also included an additional copy of this letter and envelope; we request that you return it now with a "received" stamp to confirm that you have received the filing.

Very truly yours,

Donald J. Beckel, CPCU, ARM
Assistant Regional Manager
Government Relations

DJB:dlb
Encl.

~~Approved until withdrawn~~
~~or revoked~~

OCT 01 2008

RECEIVED

SEP 30 2008

Arkansas Insurance Department

By:

AK Acknowledge
Filed

PROPERTY AND CASUALTY DIVISION
ARKANSAS INSURANCE DEPARTMENT

Property & Casualty Transmittal Document

1. Reserved for Insurance Dept. Use Only <div style="text-align: center;"> Approved until withdrawn or revoked OCT 01 2008 Arkansas Insurance Department By: <i>LH - acknowledge</i> <i>Filed</i> </div>		2. Insurance Department Use only a. Date the filing is received: b. Analyst: c. Disposition: d. Date of disposition of the filing: e. Effective date of filing: <div style="display: flex; justify-content: space-between;"> <div>New Business</div> <div></div> </div> <div style="display: flex; justify-content: space-between;"> <div>Renewal Business</div> <div></div> </div> f. State Filing #: g. SERFF Filing #: h. Subject Codes				
3. Group Name			Group NAIC #			
4. Company Name(s) Insurance Services Office, Inc.		Domicile DE	NAIC #	FEIN # 13-3131412	State #	
<div style="border: 2px solid black; padding: 10px; width: fit-content; margin: 0 auto;"> RECEIVED 1 SEP 30 2008 </div>						
5. Company Tracking Number		CF-2008-RTERU				
PROPERTY AND CASUALTY DIVISION ARKANSAS INSURANCE DEPARTMENT						
Contact Info of Filer(s) or Corporate Officer(s) [include toll-free number]						
6. Name and address	Title	Telephone #s	FAX #	e-mail		
Donald J. Beckel Insurance Services Office, Inc. 2828 E. Trinity Mills Rd., Ste. 150 Carrollton, TX 75006	Asst. Regional Manager	(214) 390-1825 Ext. 224	(214) 390-1975	DBECKEL@iso.com		
7. Signature of authorized filer		<i>Donald J. Beckel</i>				
8. Please print name of authorized filer		Donald J. Beckel				
Filing information (see General Instructions for descriptions of these fields)						
9. Type of Insurance (TOI)		01.0 Property				
10. Sub-Type of Insurance (Sub-TOI)		01.0001				
11. State Specific Product code(s) (if applicable)[See State Specific Requirements]						
12. Company Program Title (Marketing title)						
13. Filing Type		<input type="checkbox"/> Rate/Loss Cost <input checked="" type="checkbox"/> Rules <input type="checkbox"/> Rates/Rules <input type="checkbox"/> Forms <input type="checkbox"/> Combination Rates/Rules/Forms <input type="checkbox"/> Withdrawal <input type="checkbox"/> Other (give description)				
14. Effective Date(s) Requested		New: 11/01/2008		Renewal: 11/01/2008		
15. Reference Filing?		<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No				
16. Reference Organization (if applicable)		Not Applicable				
17. Reference Organization # & Title		Not Applicable				
18. Company's Date of Filing		9/25/08				
19. Status of filing in domicile		<input type="checkbox"/> Not Filed <input checked="" type="checkbox"/> Pending <input type="checkbox"/> Authorized <input type="checkbox"/> Disapproved				

Property & Casualty Transmittal Document---

20.	This filing transmittal is part of Company Tracking #	CF-2008-RTERU
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21.	Filing Description [This area can be used in lieu of a cover letter or filing memorandum and is free-form text]
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Division Five Terrorism Supplement Rating Rule Revised to Recognize the Removal of the Domestic Terrorism Loading

22.	Filing Fees (Filer must provide check # and fee amount if applicable) [If a state requires you to show how you calculated your filing fees, place that calculation below]
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Check #: 105056
Amount: \$50.00

Refer to each state's checklist for additional state specific requirements or instructions on calculating fees.

*****Refer to each state's checklist for additional state specific requirements (i.e. # of additional copies required, other state specific forms, etc.)**

RATE/RULE FILING SCHEDULE

*(This form must be provided ONLY when making a filing that includes rate-related items such as Rate; Rule; Rate & Rule; Reference; Loss Cost; Loss Cost & Rule or Rate, etc.)

(Do not refer to the body of the filing for the component/exhibit listing, unless allowed by state.)

1.	This filing transmittal is part of Company Tracking #	CF-2008-RTERU
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2.	This filing corresponds to form filing number (Company tracking number of form filing, if applicable)	N/A
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☐ Rate Increase

☐ Rate Decrease

☒ Rate Neutral (0%)

3.	Filing Method (Prior Approval, File & Use, Flex Band, etc.)	File & Use
----	--	------------

4a.	Rate Change by Company (As Proposed)						
Company Name	Overall % Indicated Change (when applicable)	Overall % Rate Impact	Written premium change for this program	# of policyholders affected for this program	Written premium for this program	Maximum % Change (where required)	Minimum % Change (where required)
Insurance Services Office, Inc.	N/A	N/A	N/A	N/A	N/A	N/A	N/A

4b.	Rate Change by Company (As Accepted) For State Use Only						
Company Name	Overall % Indicated Change (when applicable)	Overall % Rate Impact	Written premium change for this program	# of policyholders affected for this program	Written premium for this program	Maximum % Change	Minimum % Change

5. Overall Rate Information (Complete for Multiple Company Filings only)			
		COMPANY USE	STATE USE
5a.	Overall percentage rate indication (when applicable)	N/A	
5b.	Overall percentage rate impact for this filing	N/A	
5c.	Effect of Rate Filing – Written premium change for this program	N/A	
5d.	Effect of Rate Filing – Number of policyholders affected	N/A	

6.	Overall percentage of last rate revision	N/A
7.	Effective Date of last rate revision	N/A
8.	Filing Method of Last filing (Prior Approval, File & Use, Flex Band, etc.)	File & Use

9.	Rule # or Page # Submitted for Review	Replacement or Withdrawn?	Previous state filing number, if required by state
01	Terrorism Pricing - Federal Backstop	<input type="checkbox"/> New <input checked="" type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn	
02		<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn	
03		<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn	

Rule Revised To Complement Adjustment of Basic Group I Loss Costs

About This Filing

This filing eliminates the interim rating procedure currently used to back out the so-called domestic terrorism loading from Basic Group I rates.

Revised Rule

We are revising the Terrorism Pricing - Federal Backstop rule in the Commercial Lines Manual Terrorism Supplement.

We have used a format of ~~striking-through~~ deletions, underlining additions and inserting a revision bar in the left margin to indicate changes.

Related Filing(s)

- ◆ Loss Cost Filing CF-2008-RLA1

Background

The federal Terrorism Risk Insurance Program was revised and extended by the Terrorism Risk Insurance Program Reauthorization Act of 2007, which incorporates various changes to the Program. Under Section 102(1)(A)(iv) of the Act, the definition of an act of terrorism (with respect to certification of such act) is revised by eliminating the criterion that the act be committed on behalf of a foreign person or foreign interest. Therefore, under the federal program as reauthorized, certain domestic acts fall within the criteria for certification of an act of terrorism.

Currently, Basic Group I loss costs include a loading for so-called domestic acts of terrorism. That loading was introduced during the time when domestic acts did not fall within the criteria for certification of an act of terrorism, since separate rating information was (and is) in place for certified acts coverage. Rules Filing CL-2007-RTRP1 was implemented in early 2008 in response to the Reauthorization Act. In that filing, in light of the revised definition of a certified act, we introduced an interim rating procedure under the terrorism pricing rule, to

specify that the Basic Group I loss cost is to be adjusted by applying a factor of .990. In the scenario in which "certified acts" coverage is rejected/excluded, this adjustment recognizes that the exclusion now encompasses domestic acts that may be certified. In the scenario in which "certified acts" coverage is accepted/provided, the loss cost adjustment recognizes that losses attributable to a certified domestic act are now subject to the federal backstop.

Explanation of Changes

In companion Loss Cost Filing CF-2008-RLA1, adjustments to the Basic Group I loss costs include **removal** of the loading for so-called domestic acts of terrorism. Therefore the interim rating procedure described above is no longer needed, and we are revising the terrorism pricing rule to eliminate such procedure.

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TERRORISM PRICING – FEDERAL BACKSTOP

B. Certified Acts Of Terrorism Covered Or Excluded

2. Premium Determination

~~The Basic Group I class loss costs in the state manual and the Basic Group I loss costs for specifically rated properties include a provision to reflect the domestic terrorism peril. Certified acts of terrorism now include certain domestic acts. When coverage is provided for certified acts, apply a factor of .990 to all Basic Group I loss costs, because certain domestic acts are subject to the federal backstop. When coverage is excluded for certified acts, apply the same factor to all Basic Group I loss costs, in recognition of the exclusion. Refer to Paragraphs B.2.a. and B.2.b. for additional instructions on premium determination.~~

- a. When coverage is provided for certified acts, develop premium for property damage insurance using building and contents rates developed from the loss costs for certified acts of terrorism coverage. Adjust the rate by applying rate modification factors reflecting public protection classification (if applicable in this jurisdiction), coinsurance level and deductible. If rate modification factors vary by Cause of Loss, use the factors for Basic Group I. Package modification does not apply. Apply the adjusted rate to the appropriate limit of insurance in hundreds to obtain the premium for certified acts of terrorism coverage.
- b. When coverage is provided for certified acts, develop premium for time element insurance using the building rate developed above (but without adjustment for property damage deductible or property damage coinsurance level) as the base rate. Multiply the base rate by the appropriate business income and/or extra expense rating factors provided under Rules 50. and 52. to obtain the time element rate. Apply the time element rate to the appropriate limit of insurance in hundreds to obtain the premium for certified acts of terrorism coverage.

